



**UNITED STATES ASSOCIATION OF
BLIND ATHLETES, INC.**

Financial Statements

For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United States Association of
Blind Athletes, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of United States Association of Blind Athletes, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Association of Blind Athletes, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United States Association of Blind Athletes, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt United States Association of Blind Athlete, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness United States Association of Blind Athlete, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United States Association of Blind Athlete, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited United States Association of Blind Athlete, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
August 30, 2022

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Statement of Financial Position

December 31, 2021

(With Comparative Amounts for 2020)

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 86,544	\$ 216,123
Accounts receivable		26,904
Contributions receivable		75,000
Prepaid expenses	35,884	25,917
Deposits	500	
Total current assets	122,928	343,944
LONG-TERM INVESTMENTS	564,144	583,453
PROPERTY AND EQUIPMENT:		
Athlete housing	502,225	384,979
Furniture and equipment	19,176	17,243
Athletic equipment	53,812	53,812
Teraflex floor	33,288	33,288
Less accumulated depreciation	(159,569)	(136,305)
Property and equipment - net	448,932	353,017
TOTAL ASSETS	<u>\$ 1,136,004</u>	<u>\$ 1,280,414</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 14,159	\$ 39,221
Payable to athletes	7,926	4,881
Accrued liabilities	58,001	2,388
Deferred revenue	20,000	20,000
Refundable advances	5,000	89,662
Total current liabilities	105,086	156,152
LONG-TERM NOTE PAYABLE	149,259	149,900
Total liabilities	254,345	306,052
NET ASSETS:		
Without donor restrictions	798,624	850,247
With donor restrictions	83,035	124,115
Total net assets	881,659	974,362
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,136,004</u>	<u>\$ 1,280,414</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
REVENUE:				
USOPC grants, including paralympic support	\$ 403,975	\$	\$ 403,975	\$ 304,040
PPP grants	170,472		170,472	
Corporate sponsorships	139,600		139,600	116,500
Realized & unrealized gains on investments	116,539		116,539	87,223
Grants	3,595	95,155	98,750	249,218
Contributions & bequests	98,732		98,732	105,961
In-kind contributions	20,260		20,260	17,055
Merchandise sales	10,125		10,125	9,407
Less: cost of goods sold	(8,790)		(8,790)	
Athlete event registrations	10,000		10,000	21,744
Interest & dividends	7,247		7,247	5,561
Membership dues	6,410		6,410	11,681
Other income	5,350		5,350	4,308
Satisfied program restrictions	<u>136,235</u>	<u>(136,235)</u>		
Total revenue	1,119,750	(41,080)	1,078,670	932,698
EXPENSES:				
Program services:				
HP Goalball	336,001		336,001	369,313
Marketing	160,779		160,779	81,032
Athlete events	118,001		118,001	97,350
Grants	89,724		89,724	138,730
Development	<u>77,951</u>		<u>77,951</u>	<u>80,241</u>
Total program services	782,456		782,456	766,666
Supporting services:				
General & administrative	343,041		343,041	343,593
Fundraising	<u>45,876</u>		<u>45,876</u>	<u>42,975</u>
Total supporting services	<u>388,917</u>		<u>388,917</u>	<u>386,568</u>
Total expenses	<u>1,171,373</u>		<u>1,171,373</u>	<u>1,153,234</u>
CHANGE IN NET ASSETS	(51,623)	(41,080)	(92,703)	(220,536)
NET ASSETS,				
beginning of year	<u>850,247</u>	<u>124,115</u>	<u>974,362</u>	<u>1,194,898</u>
NET ASSETS, end of year	<u>\$ 798,624</u>	<u>\$ 83,035</u>	<u>\$ 881,659</u>	<u>\$ 974,362</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Program Services					Supporting Services			2021 Total Expenses	2020 Total Expenses
	HP Goalball	Marketing	Athlete Events	Grants	Development	Total Program Services	General & Administrative	Fundraising		
Accounting	\$	\$	\$	\$	\$	\$	\$ 29,363	\$	\$ 29,363	\$ 20,236
Awards		124				124			124	
Bank charges							8,343		8,343	3,150
Consultants/volunteers							42,325		42,325	36,453
Contract labor	44,605	22,685	4,000	80		71,370		25,475	96,845	42,125
Database management	240	232				472	7,927	1,398	9,797	77,312
Depreciation	21,768					21,768	260		22,028	20,211
Dues	521					521	31,727		32,248	3,550
Employee benefits	4,396				1,857	6,253	25,141		31,394	2,610
Equipment rental										15,649
Insurance							32,833		32,833	27,942
Management fees		499		3,125		3,624			3,624	86,644
Merchandise							8,790		8,790	
Miscellaneous	23,560	298	34,507		3,575	61,940	9,645	7,907	79,492	17,416
Officials				4,740		4,740			4,740	16,994
Payroll taxes	4,546	6,423	3,267	4,806	3,392	22,434	3,697		26,131	33,999
Postage	531					531	4,287	513	5,331	8,269
Printing & copying		513				513	112	3,349	3,974	5,704
Professional fees							18,000		18,000	8,339
Rent							26,804		26,804	15,288
Salaries	60,250	102,391	52,077	76,616	54,080	345,414	60,411		405,825	428,756
Seminars							1,935		1,935	
Stipends		22,500				22,500			22,500	85,003
Supplies & equipment	15,089	4,419	2,990			22,498	9,887	1,241	33,626	104,475
Telephone					1,800	1,800	47		1,847	768
Travel	151,195	695	20,922	172	13,247	186,231	30,253	5,993	222,477	68,083
Uniforms	1,019		238	185		1,442			1,442	15,142
Utilities	8,281					8,281	44		8,325	9,116
Total expenses reported in the statement of activities	336,001	160,779	118,001	89,724	77,951	782,456	351,831	45,876	1,180,163	1,153,234
Less: cost of goods sold amount included with revenues in the statement of activities							(8,790)		(8,790)	
Total expenses reported in the statement of activities	<u>\$ 336,001</u>	<u>\$ 160,779</u>	<u>\$ 118,001</u>	<u>\$ 89,724</u>	<u>\$ 77,951</u>	<u>\$ 782,456</u>	<u>\$ 343,041</u>	<u>\$ 45,876</u>	<u>\$ 1,171,373</u>	<u>\$ 1,153,234</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Statement of Cash Flows

December 31, 2021

(With Comparative Amounts for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (92,703)	\$ (220,536)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	22,028	20,211
Net realized and unrealized gains on investments	(116,539)	(87,223)
Decrease (increase) in assets:		
Accounts receivable	26,904	(26,610)
Contributions receivable	75,000	82,500
Prepaid expenses	(9,967)	(22,660)
Deposits	(500)	1,000
Increase (decrease) in liabilities:		
Accounts payable	(25,062)	(50,865)
Payable to athletes	3,045	(2,462)
Accrued liabilities	55,613	(1,361)
Deferred revenue		(5,000)
Refundable advances	(84,662)	89,662
Total adjustments	<u>(54,140)</u>	<u>(2,808)</u>
Net cash used by operating activities	(146,843)	(223,344)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in long-term investments, net	135,848	(4,791)
Acquisition of property & equipment	<u>(117,943)</u>	<u>(7,987)</u>
Net cash provided (used) by investing activities	17,905	(12,778)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term note payable	<u>(641)</u>	<u>149,900</u>
Net cash provided (used) by financing activities	<u>(641)</u>	<u>149,900</u>
NET DECREASE IN CASH	(129,579)	(86,222)
CASH AND CASH EQUIVALENTS, beginning of year	<u>216,123</u>	<u>302,345</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 86,544</u>	<u>\$ 216,123</u>

See Notes to Financial Statements

UNITED STATES ASSOCIATION OF BLIND ATHLETES, INC.

Notes to Financial Statements

For the Year Ended December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The United States Association of Blind Athletes, Inc. (the Association) was the high-performance management organization for blind athletes. Effective December 30, 2021, the Association became the National Governing Body for blind athletes and the two paralympic team sports of goalball and blind soccer. The Association is responsible for the promotion and development of athletic competitions in the United States.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Income Tax

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Association's form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed. Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking and savings accounts.

Supplemental Cash Flow Disclosures

The Association paid no interest or income taxes during the years ended December 31, 2021 and 2020.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation

Assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of five to 10 years for furniture and equipment, and 30 years for buildings. Depreciation expense amounted to \$22,028 and \$20,211 for the years ended December 31, 2021 and 2020, respectively.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that an allowance for doubtful accounts at December 31, 2021 and 2020, is not necessary. At December 31, 2021 and 2020 there were no accounts receivable from contracts with customers.

Deferred Revenue

At December 31, 2021 and 2020, the Association has recorded a contract liability of \$20,000 for both years, which represents deferred revenue from a contract with a customer. This deferred revenue represents the estimated fair market value of the services provided to a customer as part of a larger agreement. The revenue will be recognized once the Association fulfills their contracted performance obligations.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Contributions include United States Olympic & Paralympic Committee (USOPC) grants.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Athlete registrations - The Association receives revenue from sales related to various Association sanctioned events and challenges held for members. The revenue is recognized at the time of the event, which recognizes the completion of the Association's performance obligations.

Corporate sponsorships - The Association recognizes revenue from contracts with both sponsors and suppliers of the Association. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Association will recognize revenue over time. The Association has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Therefore, corporate sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Membership dues - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership services to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are nonrefundable.

Donated Services

The Association recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2021 and 2020, the Association recorded \$0 and \$5,000 in contributed services.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 30, 2022, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year-end:

Cash and cash equivalents	\$ 86,544
Long-term investments	564,144
Less amounts with donor restrictions	<u>(13,952)</u>
Total financial assets available within one year	<u>\$ 636,736</u>

The Association strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements, if any, are invested in certificates of deposit, money market funds, and other short-term investments.

C. FAIR VALUE MEASUREMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Assets at Fair Value as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Equity securities:				
Mutual funds	\$ 1,974	\$	\$	\$ 1,974
USOE pooled investments	<u> </u>	<u>564,144</u>	<u> </u>	<u>564,144</u>
Total	<u>\$ 1,974</u>	<u>\$ 564,144</u>	<u>\$</u>	<u>\$ 566,118</u>

Assets at Fair Value as of December 31, 2020

	Level 1	Level 2	Level 3	Total
USOE pooled investments	\$	\$ 583,453	\$	\$ 583,453
	<u> </u>	<u>583,453</u>	<u> </u>	<u>583,453</u>

The Association has placed its investments in a pooled investment fund sponsored and managed by the United States Olympic Endowment (USOE). The USOE invests on behalf of the USOPC and various national sports organizations recognized by the USOPC.

Alternative investments	35.11 %
Domestic equities	24.42
Domestic bonds	22.56
International equities	14.80
Cash and equivalents	<u>3.11</u>
	<u>100.00 %</u>

Notes to Financial Statements

D. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021:

Time restrictions	\$ 69,083
US Soccer program	13,600
Copeland scholarship fund	<u>352</u>
	<u>\$ 83,035</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2021, the following amounts were released from net assets with donor restrictions:

Resident program	\$ 75,000
US Soccer program	23,163
Other programs	26,072
Time restrictions	<u>12,000</u>
	<u>\$ 136,235</u>

E. RELATED PARTY TRANSACTIONS

The USOPC provided grants to the Association as follows:

	<u>2021</u>	<u>2020</u>
High Performance grants	\$ 328,975	\$ 250,040
NGB Services grant	<u>75,000</u>	<u>54,000</u>
	<u>\$ 403,975</u>	<u>\$ 304,040</u>

In addition to the amounts listed above, the USOPC also provided value-in-kind air travel assistance in the amount of \$0 and \$3,809 during the years ended December 31, 2021 and 2020, respectively.

The Association is economically dependent on the funding it receives from the USOPC to maintain its goalball high performance program at the current level.

Notes to Financial Statements

F. IN-KIND CONTRIBUTIONS

The Association occupies office space in the USOPC Sport Building at a discounted rental rate.

In-kind revenue and expense of \$6,544 and \$8,246 has been recorded for the years ended December 31, 2021 and 2020, respectively, in order to properly reflect the value of this support in the financial statements. The USOPC also provides value-in-kind support in the form of facility and equipment use of \$13,716 and \$0 for the years ended December 31, 2021 and 2020, respectively. In addition, the Association receives in-kind donations from several sponsors. These donations, which include printing, promotions, meals, lodging, and the use of interns, have been recorded as revenue and expenses in the accompanying financial statements. During the years ended December 31, 2021 and 2020, \$0 and \$5,000, respectively, were recorded for donated goalball coaching and referee services.

G. RESIDENT ATHLETE PROGRAM CONSTRUCTION

The Association has developed a Goalball Center of Excellence in Ft. Wayne, Indiana. The Association purchased, through the support of grants and donations, two homes that will allow the Association to offer a limited number of elite and pre-elite Goalball athletes a full-time residency program that will support high performance goalball training, while integrating college education or employment opportunities. The Association will partner with Turnstone, a non-profit organization in Ft. Wayne, whose mission is to provide therapeutic, educational, wellness, and recreation programs which empower people with disabilities. Through the Association's funding efforts and its relationship with Turnstone, they have developed a long-term United States Association of Blind Athletes Goalball Center of Excellence which invests in sustaining a training program for future Paralympic goalball athletes.

In 2018, the Association began renovating the basements of these residences in support of this program. During the year ended December 31, 2018, \$75,000 in contributions were made by third parties to support this program. The Association committed \$45,000 of the total project cost during 2018, and these funds were held by another non-profit. This amount was recorded as an other prepaid asset, and as the initial funds were spent from this deposit, they were reclassified to the construction in process - athlete housing asset.

Notes to Financial Statements

G. RESIDENT ATHLETE PROGRAM & CONSTRUCTION IN PROGRESS - Continued

The contributions of \$75,000 were held by another non-profit for the benefit of the Association's project and was recorded as a contribution receivable.

During the years ended December 31, 2021 and 2020, \$117,246 and \$44,260, respectively, in expenses were incurred for the project. The renovation project was completed as of December 31, 2021 and the contribution of \$75,000 was received.

H. LEASES

Beginning September 1, 2016, the Association entered into a lease arrangement with the USOPC for 1,000 square feet of office space and 768 square feet of common space.

The lease rate is \$6.50 per square foot per year with annual increases not to exceed the regional consumer price index. Also, an allocated cost of \$3.25 per square foot per year for a percentage of common space is stated in the lease. The USOPC will waive the common space obligation, but it will recognize the expense obligation as a grant to the Association.

The Association also agrees to pay the following operating expenses:

- IT services - \$96 per employee per month
- Copier - by usage at \$0.02 per black and white copy, \$0.09 per color copy
- Other incremental services to be billed at cost

Effective February 6, 2017, the Association entered into a memorandum of understanding with Turnstone Center for Children and Adults with Disabilities, Inc. (Turnstone) and Turnstone Fieldhouse, LLC for priority access to the gymnasium, designated training space, and adjacent storage area. The initial period is five years with an annual payment of \$1.00. The agreement includes an option of renewal for two additional terms of five years.

In this memorandum of understanding, the Association also entered into a land lease with Turnstone Properties, LLC (an Indiana limited liability company and wholly owned subsidiary of Turnstone). The term of the initial lease is five years for an annual rental amount of \$1.00.

Notes to Financial Statements

H. LEASES - Continued

The land lease provides for two additional five-year terms to be exercised by providing Turnstone with written notice at least 180 days prior to the expiration of the initial land lease term.

Future minimum lease payments under these leases are as follows for year ending December 31:

2022	\$ 8,998
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I. REFUNDABLE ADVANCE

The Association has obtained two loans through the Small Business Association Payroll Protection Program in the amounts of \$84,662 for each loan. A portion or all of this loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities. Any portion of the loan that is not forgiven has a maturity of a minimum of two years and an interest rate of 1%. Loan payments are deferred for 10 months.

The Association met the criteria for forgiveness of both loans and received confirmations from the SBA that the loans were forgiven in full. The proceeds from the loan have been included in the statement of activities as grants.

The Association also receives, from time to time, refundable advances from other funding sources for programs to be held in future years. At December 31, 2021 and 2020, the Association had \$5,000 in other refundable advances each years.

J. NOTES PAYABLE

The Association has obtained a loan through the Small Business Association Economic Business Injury Disaster program in the amount of \$150,000. The loan has a maturity of 30 years and an interest rate of 2.75%. Monthly loan payments in the amount of \$641 are set to begin in 2023.

Notes to Financial Statements

J. NOTES PAYABLE - Continued

Future minimum payments under this note payable are as follows for years ending December 31:

2023	\$	2,498
2024		3,411
2025		3,506
2026		3,604
2027		3,704
Thereafter		133,277

K. UNCERTAINTIES

The outbreak of a fast-spreading novel strain of coronavirus (COVID-19) has been recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including, but not limited to, the uncertainty in global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will continue to affect the operations, collections or financial results of the Association is uncertain.

With the rising cost of inflation and potential recession, it is uncertain what effect these factors may have on operations of the Association in the coming year.